

# **CORRECTED FISCAL NOTE**

## **HB 592 - SB 863**

May 2, 2001

**SUMMARY OF BILL:** Specifies that a public housing authority and the portion of any housing project subject to a private enterprise agreement consisting of eligible housing units to be occupied by low income persons shall be exempt from all taxes and special assessment of the state or local government. Eliminates the requirement that a public housing authority make payments to a local government for improvements, services, and facilities furnished by the local government for the benefit of a housing project. Such payments would be optional for the authority under the provisions of the bill.

### **ESTIMATED FISCAL IMPACT:**

On February 15, 2001 we issued a fiscal note on this bill which indicated that:

*The impact of this bill is a not significant decrease in local government revenues to the extent public housing authorities choose not to make payments that would have been made in the absence of the bill.*

Based upon additional information provided by the Comptroller's office, the estimated fiscal impact of this bill is:

**Decrease State Revenues - Exceeds \$100,000**

**Decrease Local Govt. Revenues - Exceeds \$10,000,000**

Estimate assumes:

- local governments will experience a decrease in property tax revenues from extending exemptions to housing projects subject to private enterprise agreements.
- there are over 35,000 affected units and the estimate assumes few of the private owners will elect to make the optional in lieu payments for services.
- the state will experience a decrease in franchise and excise tax revenues estimated to exceed \$100,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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